

**Excerpt from Ervin Ackman’s book titled,  
“President Reagan’s Program to Secure U.S. Leadership Indefinitely:  
Project Socrates”**

*How All Americans Can Participate and Reap the Benefits*

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By Ervin Ackman

***Overview by Michael Sekora***

The story of Project Socrates exposes the best and worst of our government and its leaders. On the one hand are the dedicated, tireless patriots of Team Socrates ushering in the next major leap of humankind, Automated Innovation. On the other side are the government bureaucrats bent on maintaining the status quo at any expense.

Our shift from technology to finance-based planning after WWII has resulted in a slow but quickening decline in competitiveness, the single most important factor in survival, economic growth and prosperity. It would seem obvious given where we are today an almost insurmountable debt, huge trade deficits, industry after industry being lost, scarcity of jobs (and those that are created are lower paying) that what we are doing does not work. It is ironic that the status quo our leadership in all sectors, social, economic and political holds onto is a flawed system driven by finance-based planning. But even though the status quo has not worked for fifty years we continue down that road pushing even harder expecting better results.

Team Socrates built a system capable of exposing and countering competitor strategies enabling us to dominate any market, commercial or military, at will. Adversaries as well as allies quickly became aware of the power of Socrates. Pressures from a few allies, particularly Japan, played a part in ending Socrates as a government program.

Socrates was not just another “cool idea”. We developed Socrates, hostiles vetted it and we deployed Socrates with incredible success to help President Reagan achieve one of his highest priorities, bringing down the Soviet Union. And we did it without firing a shot. Socrates enabled the US to make giant leaps in military and commercial capability with astonishing speed. But in the end, George H. W. Bush, scuttled the program during his presidency and set the US back on track for decline as the sole superpower economically and militarily.

*Michael Sekora – April 2013*

But as of this writing, we are not at the end of the incredible story of Project Socrates, the solution that would propel the US and the world to heights never imagined. Upon leaving the government during the fiasco with President Bush, Sekora continued in the private

sector to refine the system that may be our only salvation as China proceeds toward their objective of world domination.

While other countries are working hard to replicate Socrates Automated Innovation, none have succeeded thus far. But Socrates style Automated Innovation will come to pass in the near future and it is absolutely essential that the US, as the world's lone force of good, leads the Automated Innovation Revolution. If we fail we will be just another second rate country at the mercy of those countries that emerge as economic and military leaders.

### ***The Leadership Vacuum***

When whole societies stumble, the role of leadership is to find solutions, rally resources and fix the problems. When great societies ultimately fail though, in some twisted way, it is also leadership that leads the way to demise.

In every sector of US society, government, industry, capital markets and academia, we seem to be on automatic in a death spiral. Our leaders are vacant of solutions continuing to do those things that caused the problem in the first place and actually speed up the demise. For reasons discussed in this book, our leaders may not be capable of awakening in time.

Since the exposure by Michael Sekora and subsequent development of the solution in 1983, the problem that began some sixty years ago has continued to eat away at our great nation. The leadership vacuum is the cause that enables the problem to metastasize. Finally, because of this void and in some cases outright hostility of leadership, the problem's symptoms have fiercely developed to a point that we can no longer ignore.

This book must be read and serve as an alarm for all or we may continue on automatic decline and miss the chance of a lifetime.

### **Insights from August, 2013 Washington DC Meetings**

In August 2013 Michael Sekora and I went to Washington DC for several meetings including the White House Office of Science and Technology Policy (OSTP), the Congressional Committee on Science, Space and Technology, the Department of Energy and the US Business and Industry Council (USBIC).

Our purpose varied slightly for each meeting but the overall theme was to provide an update on our Operation US Forward progress. Overall they received us extremely well, and our visit could advance the cause for America.

Usually our representatives in Washington receive visitors expecting them to ask for help in the form of money or political favors but our visits were different and they favorably acknowledged that fact. We purposely made it clear that Operation US Forward was

already progressing very well and we were not looking for Washington's help. Rather we were there to provide them with a solution. For us this visit was perhaps the final outreach of many over the years, to engage the leadership of Washington.

Where we achieved our purpose of evaluating Washington leadership, what we took away was an overall not so pleasing impression. The points below are how Sekora summed up our conclusions of our experience in DC in August of 2013:

1. There is no question or argument about the demise of the US and the major threat of China. The only debate now is whether the US has 3 or 5 years left.
2. The only people in DC who appear to be addressing the US economic competitiveness issue are the same people who were addressing the issue during the end of Project Socrates in 1990. These people, for the most part, are fatalistic and burned out.
3. It is accepted that the US government has no solutions for rebuilding US economic health. They see measures like reducing the federal budget, increasing tax rates and even increased spending on R&D and infrastructure (economic-based planning) as only delaying the economic demise of the US.
4. There is a total void of leadership and solutions in DC and in the rest of the country as well for addressing the rebuilding of US economic health.
5. The time is correct for the reemergence of Project Socrates as the solution and providing the leadership for rebuilding US economic health.

None of the above was surprising. Anybody who has been paying attention knows we are in big trouble. Until now though, Washington has been mostly in denial and indulging in fantasies creating false security about China's demise. In one respect the general realization in Washington, as we re-confirmed in our August trip, that we have a problem and Washington is admittedly without leadership to solve it, is a step forward. Being excessively optimistic, that realization could trigger among a *committed few* the setting aside of politics, willingness to learn and resolve to take action. We will see if something just short of a miracle takes place.

But the best advice is to not depend upon the government to solve the problem. If we turn things around the leadership and solution will come from the private sector.

So why again, is this book, *President Reagan's Program to Secure US Leadership Indefinitely: Project Socrates*, necessary? There is a critical and timely message for every American in this informative story of Project Socrates. The message is not as much about our decline but more about a solution and happy ending if we are able to execute.

So, are we ready to execute? What has to be done? How do we do it? Can we pull it off? What are the barriers? What's in it for each of us? What are the consequences of failure to act? Those are the questions to be addressed in this book.

Even though Americans seem to be waking up to the crisis, there are forces that can lull us back to sleep. The most threatening of those forces comes from inside, as our leaders in every institution go about applying the same practices and calling them solutions when they were actually part of the problem in the first place. This book tells why and provides the rationale for every American to stay informed and get engaged in what will be, if successful, the ride of our lives.

What is sad is the fact that it was completely unnecessary for the problem to mature to this point since the solution has been around for three decades. It, Socrates, was developed specifically for this problem, tested, successfully deployed, proven to work and it is time to unleash it again before it is too late. The consequences of maintaining the status quo with the usual solutions that have not worked for years are dire.

If we do not solve this problem the world will suffer for decades if not centuries. I know some people believe that the US has been the cause of many problems throughout the world. I take exception. Yes, we have made mistakes, but in net we have been and remain the "go-to" force for good among all other nations capable of such global influence. At our core, that is the American people, we are biased to do the right thing and we are needed now.

For those who disagree, what is the alternative? A world dominated by China would be much worse and that is the likely alternative. So either way the best alternative for US citizens and the world in general is a strong United States of America. That is why this book is necessary.

This book is not a hand waving story of doom though. Too many books are already available that tell us of the imminent demise of America. For years we have watched the pundits in the media tell all the things that are wrong. Where we have to understand the problem and its symptoms, the focus of this book is on the solution.

The Socrates solution had to be different from anything to which we had been accustomed. As you will see the problem for our country is structural starting at the planning and decision-making foundation as opposed to just being a long cyclical downturn. The problem at the foundation permeates our entire economic system and impacts our social and political systems as well.

This story of Reagan's Project Socrates is not easy on our leaders in government, industry, financial markets and academia. All have contributed to the current condition in which we find ourselves today. I wish I knew a better way to present the cause of the

problem but it is time to wake up, face our shortcomings, make adjustments and get on with leading the world to the next phase. The solution requires a major transformation that will impact our entire social, economic and political systems. The Socrates system was designed to be the vehicle for that transformation.

### **The First Meeting with Sekora**

I began working as an Organization Change Management (OCM) consultant way back in the late 1980s and early 90s before that profession was even called *organization change management*. In 2006 I volunteered to help the State of Texas examine an important economic development program, Texas Emerging Technology Fund. The Texas Emerging Technology Fund (ETF) was approaching its first anniversary and it needed a full evaluation for continued funding. I worked with the staff of the Texas Senate Chair of the Oversight Committee. It took several months going through the assessment process before presenting my findings in oral testimony and written report.

The Texas Governor's Office sponsored and managed ETF. A few weeks after I delivered my testimony and submitted the findings I met with a member of the Texas Governor's Office to go over the recommendations. One of my recommendations particularly stood out to him. That recommendation involved an addition to the existing ETF project selection process that would focus on emerging technology from a *demand* perspective in addition to ETFs *supply* focus design. To support a demand centered approach we would integrate the powerful computers at the University of Texas to automate the technology acquisition process and produce a competitive planning and execution tool.

The automated process would first identify the social, economic and political needs of the Texas eco-system giving us the foundation requirements necessary to achieve world competitive advantage in all eco-system institutions. In other words, what is the specific *demand*, based on eco-system needs to globally compete? By knowing the needs of the Texas eco-system based on achieving competitive advantage, the exact technologies required to produce products and services that have competitive advantage could be efficiently mapped. This approach would remove the limitations of the supply only approach and its sole dependence on what just happens to emerge from inventors' garages.

With Texas eco-system needs fully understood the program would then support the coordination of the output of competitive products and services with the functions of all eco-system institutions. For example by knowing industry's products, services and technology focus academia's research and worker development could be efficiently coordinated. The demand centered planning system would further lower investment risks in capital markets by removing market uncertainties and be the tool for aligning

government legislation to support an overall technology/competitive strategy. This approach, added to the existing *supply* oriented approach of ETF, would give Texas an advanced tool for world competitive advantage while also supporting “garage innovators” on the supply side.

The system I proposed had characteristics of the Socrates system, which the governor’s staff person immediately recognized as he had recently attended one of Michael Sekora’s lectures at the University of Texas. As we wrapped up the briefing he suggested I meet with Sekora and gave me his contact information.

That is how I met Michael Sekora. At the meeting that followed Sekora walked me through the Socrates system, its history and *Operation US Forward*. Needless to say the Socrates system was much more sophisticated and mature than the one I had sketched out for the State of Texas but the concept was a match. We became friends brought together through a compelling desire to fix US inability to compete, which would if left alone, eventually bring us down. We were now on a mission to stop the decline and restore US competitiveness through Socrates Automated Innovation.

To understand Socrates you must first know its creator, Michael Sekora. As you get to know him you will see a man who is not satisfied in just having an answer. Mike must know everything about it. A Sekora solution is holistic and will apply to every possible scenario of the intended application and addresses every possible implication. He is the most logical person I have ever known combined with a deep intellect to search and find every element in a problem or opportunity. His approach is systematic and thorough and to some observers he may appear to over-engineer problem analysis to get to solutions. But when he finishes and presents there are no holes. He has anticipated and addressed every argument. Continued improvement forever pursues perfection.

A characteristic that has developed in Michael Sekora's objective and otherwise respectful, congenial personality is a visible intolerance of conventional thinking, practices and tools. Conventional thinking when discussing US competitive problems and solutions makes him particularly uneasy. The reason is that conventional thinking is part of the problem that we must be address. Any connection to conventional thinking, buzzwords, methods and tools, in Sekora’s view, can potentially send the wrong message about Socrates, technology-based planning and automated innovation. Technology-based planning and automated innovation as defined in Socrates are completely outside the realm of conventional thinking.

Sekora, born in Flint, Michigan in 1957 grew up in a family of three generations at General Motors. His intimate knowledge of the automotive industry, its rise, struggles and fall combined with Sekora’s years in the US intelligence community provided him with a unique view of our country’s deterioration. In the section below Sekora exposes

his unique view in, *America Sleeps*, describing one aspect of the greater problem that this book may help address.

From the archives of Sekora writings I came across *America Sleeps* in an early version of a book manuscript authored by Michael Sekora and Ronald Yates dating back to the early 90s. As I thumbed through the contents, it reinforced the fact that the problem and solution was clear way back then. But US leadership has made little if any progress in solving the problem except for that brief period of the 1980s when Sekora, Team Socrates and a small dedicated following in Washington, supported by Ronald Reagan, built and deployed System Socrates. The only major difference between then and now is that the situation has greatly deteriorated. The warnings from Sekora and team over the past twenty-five years have gone unheeded for the most part as we continue to decline. The reason for decline remains invisible to or is misunderstood by most Americans.

### ***America Sleeps***

One of the problems for our country is its inability to see and understand the problem and solution accurately. As a result we flail about in our conventional doctrines pressing harder and faster, expecting better results and then hyping the results we get so they look better than they really are. We are asleep to what is happening while the rest of the world exploits us until there is nothing left and then those who are exploiting us will move on leaving behind a picked-over carcass of what used to be the strongest of the strong.

Our condition will continue to decline until we reach bottom unless, as a nation, we are capable of understanding that the root cause of our problems is structural not cyclical or situational. The negative results have been cumulative but perhaps the most disturbing implication is that most Americans have been and remain today, asleep as to the cause, how it is happening and what to do about it.

In 1993 Sekora and team began to document the story of Socrates and the issues of the time that Socrates would address. The following is an excerpt from those writings that was used then to issue warnings about our country's oblivion: <sup>1</sup>

### ***The Silent Siege – 1993***

*“A siege is underway – a silent siege directed at our nation’s businesses and entire industries.*

*It’s a sophisticated incursion directed by highly-skilled foreign competitors that utilize all the classic stratagems of war – flanking maneuvers, feints, preemptive strikes, envelopments, strategic and tactical alliances – each designed to achieve technological*

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<sup>1</sup> Michael Sekora and Ronald Yates, *The Silent Siege*, 1993

*superiority in an era when a nation's technology is the determinant not only of its success, but of its survival.*

*Few American companies have discovered how to defend themselves from this attack and fewer still have been able to launch effective counter-measures. As a result most are consistently losing battles for new markets, new products, and new technologies. Ultimately that means fewer profits, fewer jobs for American workers and a declining standard of living for all Americans.*

*It's not new, this quiet assault that's sapping America of its economic vitality, capturing its innovative energy, and crushing its ability to compete. It has been underway for more than 40 years. And it has been happening in an atmosphere of indifference and ignorance.*

*Such lassitude is not unprecedented in powerful nations. Between 1932 and 1938, crucial years that laid the groundwork for WWII, man's most destructive military conflict, England's Winston Churchill made dozens of speeches in British Parliament warning of the impending disaster. Those speeches, which were eventually published in a book called While England Slept (by Winston Churchill, 1938), contained more than a few kernels of wisdom that seem as relevant to Americans today as they were when they were written and spoken to the British people more than 50 years ago.*

*"Nothing can save England if she will not save herself," Churchill said in While England Slept. "If, while on all sides foreign nations are every day asserting a more aggressive and militant nationalism by arms and trade, we remain paralyzed by our theoretical doctrines or plunged in stupor...then indeed our ruin will be swift and final."*

*"Loaded with debt and taxation, her commerce and trade shut out by foreign tariffs and quotas, England would sink to the level of a fifth-rate power, and nothing would remain of all her glories. The era of procrastination, of half-measures, of soothing and baffling expedients, of delays, is coming to its close. In its place we are entering a period of consequences."*

*The same can be said for America today (1993). It too is entering a period of consequences. But unlike Churchill's England, which was facing the menace of fascism at a time of worldwide economic depression, America is faced with an era of exceptionally competitive global marketplaces.*

*It's an era in which a new kind of war is being fought – one in which technology and knowledge are tactical and strategic weapons. Only in this war the benchmark of a powerful nation is not the might of its armies or its instruments of destruction, but the competitiveness of its people and industries.*

*In an era when information, knowledge and technology – not economic brute force – are the determinants of success, most American corporations are still employing tactics suitable to a battlefield that no longer exists. Few are aware that the rules of engagement have changed and few are prepared to respond to the sophisticated strategies that are arrayed against them.*

*How, you might ask, could something with such cataclysmic consequences be happening without anybody knowing about it? Are Americans that stupid or lethargic?*

*The answer of course is that Americans are neither stupid nor lethargic. With a very few exceptions, they are simply unable to recognize the tactics and stratagems arrayed against them. How could they? They've never been taught to do so. Many of the incursions and encirclements of corporate America and its proprietary technology are occurring unnoticed. In most cases, nobody sees the "enemy" until it is too late.*

*Why? Because until recently we were in the unique position of not having to worry about ambushes directed at our technology. Following WWII and into the mid 1970s America was in the unique position of being able to win economic engagements with brute force. It had the numbers, the resources and the economic ordnance to overwhelm opponents with simple frontal attacks. And did so almost at will.*

*But a funny thing happened on the way to the victory parade. America, for the most part, never made it.*

*America got blind-sided by a force of nimble, difficult to distinguish adversaries who were compelled to devise a different kind of commercial warfare in order to survive and climb out of the devastation of WWII."*

Keep in mind that this excerpt was written in 1993 and that "different kind of commercial warfare" mentioned in the last paragraph only appears to be new to US leaders, decision-makers and planners. Sekora will say that in fact this kind of economic warfare is a natural response for survival human beings have intuitively practiced since the beginning of time – technology-focused competitiveness. It has conquered every time humans have tried it. The only difference is that today technology-based commercial warfare is executed systematically with much more acuity and the US remains oblivious to it.

This excerpt from *The Silent Siege* appropriately concludes with:

*"America, her corporations, government institutions and her people are in danger of losing the most important war this nation has ever fought – the war for economic survival.*

*And we are in danger of doing so without even knowing it, because the battles are being fought while America sleeps.”<sup>2</sup>*

Today we are indeed in the *period of consequences*. In an article titled, “Billionaire Perelman: What's Good for Corporate Profits Isn't Good for Jobs”<sup>3</sup>, we can discern one consequential symptom of a structural problem that exists and we continue to ignore:

*“...he (Mr. Perelman) told CNBC. "Unfortunately what is good news for American industry — that profitability of most companies is strong — is bad news for those looking for work."*

*"We've rationalized our businesses over the last five years. That's good news for operating companies around America. It's bad news for the unemployment rate because those people that we laid off in 2008-2009, there's no need for us to hire back."*

Most will agree that Mr. Perelman is right and what we are seeing is a sign of the times. Company stocks and corporate profits can do well even when the national economy does not. Businesses are not tethered to one nation’s economy anymore and they do what is necessary globally to adjust to maximize profits. On the one hand, we should not blame them for the economy, jobs, trade deficits or declining national defense. Making profit, given the competitive environment that exists and the way they have been trained to compete, fits their purpose and the expected results. However, that does not mean they are not in peril.

US companies are stuck in an obsolete and terminal mindset, which prevents them from being competitive. Because of this, US organizations cannot compete in the world marketplace without offshoring critical business functions like manufacturing to make their numbers. When that was once as far as they thought they needed to go, now many of our leading companies are forced to go even deeper into their operations by offshoring design, engineering and R&D as well. It’s a slippery slope, as some would say, but predictable given our general ignorance of how to compete in a changed competitive environment. The fact that US corporations fail to recognize their deficiencies and make adjustments that would enable them to compete can be blamed on them.

But the blame does not stop with US businesses. America’s finest universities train new corporate leaders in these failed practices, and our government not only embraces that mentality but also applies the same principles. Today capital markets go beyond stock certificates and treat the businesses themselves as just another financial instrument.

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<sup>2</sup> Ibid 2, page 16

<sup>3</sup> Dan Weil, *Billionaire Perelman: What's Good for Corporate Profits Isn't Good for Jobs*, Moneynews, May 5, 2013

Corporate leaders equipped with and surrounded by Harvard MBAs, consider themselves *financiers* focused more on juggling the assets of the corporation for immediate profit while ignoring the fact that to continue to be viable they must first deliver products and services that satisfy customer needs better than competition. The leadership problem has grown to the point where corporate leaders of once US icons consider themselves a *global enterprise* with headquarters that just happen to be in the US. Being a global enterprise is not the bad part in fact that is good. But seeing the homeland as a place where *we just happen to be* indicates temporary status that can change as needed to make the numbers. This further indicates that our problems are structural and system related not just cyclical or situational.

We have a major structural problem that Project Socrates made visible many years ago. That structural problem has matured and unless addressed quickly could at minimum, end our leadership status in the world.

Meanwhile the US economy continues to sink, without the capacity to mount a significant economic counter offensive. Our treasury, what's left of it, cannot sustain our economy at the level to which we are accustomed without US based industries being capable of competing. And it is not just manufacturing. US organizations in every sector are not trained to compete. How we learned to conduct business that changed us from technology-based to a misguided approach many years ago to ostensibly take advantage of a temporary situation, will never work again, if it ever really worked at all.

As you go through the chronicle of Socrates and its creator, Michael Sekora, thoughts will come to mind about the impact Socrates will have on just about everything we do, see and experience every day. I encourage you to think about the potential for advancement in every aspect of our lives and then try to understand, if you can, the logic and thinking of those who have resisted the full deployment of Socrates.

Michael Sekora initiated project Socrates in 1983 to address US declining competitiveness as the source of a declining America. Both government and the private sectors have deployed System Socrates with results that exceeded all expectations.

Generation 1 Socrates was a test bed for the fully Automated Innovation version and symbiotic deployment process ultimately prescribed in President Reagan's executive order that was never executed. During the 1980s Socrates Generation 1 was selectively used as the foundation for the government's highest priority programs such as the Strategic Defense Initiative, the Stealth project, super computers, tele-presence and integrated circuits. Through complex highly classified DoD programs, generally requiring authorization above three-star general, Socrates touched many other constituent programs. The impressive results Socrates produced, as intended, impacted our competitors who quickly saw the power of Socrates as a major competitive threat to their

continued exploitation of world markets, especially the lucrative US market, almost at will.

The exact reason George H. W. Bush ignored Ronald Reagan's executive order to permanently establish Socrates, as a national asset remains unclear today. This act by President Bush ultimately resulted in the termination of Project Socrates as a government program. While the actual reason may remain unclear the generally accepted version for its termination is that Socrates was labeled *industrial policy* (IP). The conventional wisdom of Washington clings to a distorted view of IP as being equal to certain aspects of *central planning* as practiced by the old Soviet Union. However there is more to this, involving key allies particularly Japan as you will see, than simply industrial policy.

The over-simplification of IP and misunderstanding of Socrates was a convenient way to rationalize the termination of Project Socrates. As far as IP is concerned though even that rationalization is flawed and filled with contradiction, as will be discussed in depth in Chapter 3. In our discussion of IP you will see that US de-facto industrial policy continues operating haphazardly beneath the radar with no coordinated purpose doing more harm than good to our economic, social and political systems. Laid out in Chapter 3 is the convoluted reasoning for what appears to be purely political.

In the process of the Bush administration's campaign to kill Project Socrates all documentation was destroyed. Those who supported Socrates were fired, driven to obscure corners of government or forced from service completely.

Michael Sekora with the backing of distinguished members of Congress and leaders of government agencies who had experienced Socrates put up a good fight to preserve perhaps the only viable solution to US hopes of remaining a world super power. But in the end Sekora was also eventually among those to leave government.

Those who know Michael Sekora, the creator of Socrates, are not surprised that after leaving the government he immediately began work to resurrect the system as a private sector initiative in a refined upgrade known simply as *Generation-3 Automated Innovation*.

Sekora and his work survive as the foundation for *Operation US Forward*. Sekora and his organization, Quadrigy, Inc. in Austin, Texas, continue the mission to save America and benefit all humankind.